



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Application of Pacific Gas and Electric Company to Simplify Rate Components and Other Information on Customer Bills.

Application 06-06-026

PROTEST OF THE DIVISION OF RATEPAYER ADVOCATES

In accordance with Rules 44 and 48(a) of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the Division of Ratepayer Advocates (“DRA”) hereby submits its protest to the application of Pacific Gas and Electric Company (“PG&E”) in the above-captioned proceeding. The notice of the filing of the application first appeared on the Commission’s Daily Calendar on June 30, 2006. On July 27, 2006, pursuant to Rule 48(a), DRA requested a three-day extension of time to file its protest, from July 31, 2006, to August 3, 2006. By e-mail message on July 27, 2006, DRA’s request was granted by Administrative Law Judge Janet Econome.

I. SUMMARY AND RECOMMENDATIONS

PG&E’s application should be denied unless it files a supplement to the application or a new application containing:

- A prototype or sample of PG&E’s redesigned bill format;
- A listing and explanation of billing elements PG&E proposes to retain, add or delete;
- A detailed explanation of what PG&E contemplates would constitute “additional information” and whether this information would be the same for all customers or would be dependent on customer class or tariff or other criteria;

- A status report on PG&E's efforts at the Legislature to examine possible changes to current statutory billing requirements.

Without the above supplements to the application, the Commission does not have any basis to adopt PG&E's requested relief to remove all Commission billing requirements and also grant PG&E discretion to provide additional, but as yet undefined, information on customer bills.

II. BACKGROUND

In Decision 05-11-009, the Commission expressed interest in revising and simplifying customer billing statements to make them understandable by and informative to customers.¹ The Commission also contemplated initiating a rulemaking proceeding on this topic, but first ordered the Commission's Executive Director to assess the status of utility activities toward revising customer bills. Since some of the utilities were in the process of revising customer billing statements, the Executive Director reported to the Commission that a Rulemaking would not be necessary. At the time, PG&E had already commenced its efforts to redesign its customer bills, consistent with the Commission's newly expressed interest. This application is the first regulatory step by PG&E to secure approval of its redesigned billing statement.

PG&E requests that "it be relieved of the myriad requirements set forth in prior Commission decisions regulating the contents of its bills," and that the Commission grant PG&E "the discretion to determine what additional information is most useful for customers and should be included on bills."²

PG&E acknowledges that it is obligated to present billing information under specific statutes and will continue to adhere to these requirements. PG&E also notes that it is consulting with the Legislature to evaluate whether statutory changes might be necessary to achieve customer-friendly billing statements.³

¹ Decision 05-11-009, mimeo. at 9.

² Application, p.2.

³ Application, p.2, fn. 3.

According to PG&E, the central issue to be decided in this docket is whether the Commission should continue to mandate inclusion of certain billing components and information on PG&E's customer bills and, if so, what should be required.⁴

PG&E proposes a process wherein issues regarding the content of its customer bills are addressed in this docket and review of PG&E's proposed prototype of the redesigned bill format and content would be handled by advice letter following a Commission decision in this docket.

III. DISCUSSION

DRA supports the goal of PG&E's effort to redesign customer billing statements. Informative and understandable monthly statements benefit consumers by providing information to make intelligent decisions. Although this application provides an opportunity to change the content and format of customer bills toward this goal, the specific relief PG&E seeks, primarily to lift existing Commission-ordered requirements for billing elements and information, does not involve review by the Commission of a proposed redesigned bill or its content and, therefore, would not provide assurance that PG&E's redesigned billing statements will in fact be improved. PG&E neither offers a proposed redesigned bill, nor does it outline the elements a new bill might have.⁵ Details as to what billing items will be retained or deleted and what new information would be added to the bill are not presented, except for reference to statutory requirements.

Regarding the threshold issue presented in the application, DRA recommends that the Commission confirm that it will continue to require PG&E's customer bills to include certain minimum billing components and information.

As noted above, PG&E is engaged with the Legislature to consider statutory changes affecting billing requirements. DRA recommends that PG&E supplement its application with discussion and relevant supporting information of the legislative

⁴ Application, p.15.

⁵ PG&E does offer a list of minimum elements it would not object to including in a bill (Application, p.3).

initiatives it is considering, as well as the current status of its efforts, as any changes to statutory billing requirements are material to the disposition of this application.

The question of granting PG&E discretion to include additional information cannot be adequately addressed based on the explanation and discussion offered in the application. Because this request is potentially broad in scope and lacks specific supporting explanation and detail, DRA recommends that this aspect of PG&E's request be denied unless PG&E can provide a supplement to its application with specific proposals and supporting details or, if specifics are not yet available, a full description of the nature and purpose of information that PG&E contemplates may be added to customer bills, as well as a discussion of what would not be added. As it is, PG&E's application offers a general sense of what additional information it may decide to add to a customer bill. However, this should not be considered sufficient basis for the Commission to relinquish its current practice of determining bill content.

It is not possible to determine, based on the brief description offered in the application, whether granting PG&E's requested discretion is reasonable or necessary for purposes of making bills easier to understand and more informative for customers. Nor is the scope of the request apparent; for example, the application does not indicate whether additional information would be the same for all customers or would be customized for a given customer depending on the type of service and tariff that applies.

PG&E's proposed process for review and approval of a redesigned bill should not be adopted, as it does not allow the Commission to approve the specific content simultaneously with the format of the redesigned bill. As proposed, the first time the Commission would see a new billing format would be when PG&E files an advice letter. This would hinder the Commission's ability to ensure that when it adopts specific details on the content of a customer bill, this essential information will in fact be presented in such a way as to be simple and informative for customers. That opportunity would not be available to the Commission until after it issues an order in this application and subsequently the advice letter is filed. The Commission should not adopt a redesigned bill if it does not know where a required aspect of the bill would be presented, how it

would be graphically presented and the actual language used. Accordingly, PG&E should be required to provide its proposed bill format as part of its application.

IV. CATEGORIZATION AND REQUEST FOR HEARINGS

DRA agrees with PG&E's proposal that this application be categorized as quasi-legislative. DRA does not request hearings at this time.

V. CONCLUSION

While DRA supports PG&E's goal of simplifying customer bills, DRA does not believe PG&E's application provides sufficient basis to relieve PG&E of current Commission billing requirements, or to grant PG&E complete discretion over bill content. Accordingly, DRA recommends that the Commission require PG&E to supplement its application as described in this protest.

Respectfully submitted,

/s/ Marion Peleo

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August 3, 2006

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing document
“PROTEST OF THE DIVISION OF RATEPAYER ADVOCATES” in A.06-06-026.

A copy has been e-mailed to all known parties of record who have provided electronic mail addresses. In addition, all known parties of record who did not provide electronic mail addresses have been served by first-class mail.

Executed in San Francisco, California, on the 3rd day of August, 2006.

/s/ Angelita Marinda

ANGELITA MARINDA

SERVICE LIST
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